



Congressman Jim Jordan (R-OH), RSC Chairman
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Repeal the IRS's Ability to Institute a Return-Free Tax System

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Background: The Internal Revenue Service (IRS) currently could implement a return-free tax system wherein the IRS files the tax returns for the taxpayer. In fact, earlier this year Rep. Jim Cooper (D-TN) introduced H.R. 1069, which would allow taxpayers who do not itemize to have the IRS file taxes for them.

As a result, Rep. Sam Johnson (R-TX) has introduced H.R. 2528, the Taxpayer Freedom to File Protection Act.

- **What This Bill Will Do:** This bill will prohibit the IRS from getting into the business of preparing tax returns. It would do so by preventing the IRS from developing or implementing a return-free tax system.
- **Why This Is Necessary:** Until there is fundamental tax reform, the answer to easing the compliance burden for taxpayers is not allowing the IRS to have more control and power. Creating a return-free tax system could very well stack the deck against taxpayers. Under such a system, the IRS would face a conflict of interest between collecting the most taxpayer dollars possible and fairly filling out tax returns. Much like with property tax bills, it would be up to the taxpayer to challenge the IRS if they disagree with the IRS' prepared tax return, unlike today where it is up to the IRS to challenge a taxpayer's return.
- **Government Gone Wild:** The federal government has no right to switch the impetus to the taxpayer to show that an error has been made in their tax payments. The American taxpayer, rather than the IRS, should be assumed correct until proven otherwise. More important, however, is the point that the organization which has the most to gain from overcharging should not be the same organization tallying up the amount owed by a taxpayer, especially in such a complex system with significant room for error. Such a system would be a recipe for disaster, and such a disaster would be at the expense of the taxpayer.

Conclusion: An organization which has the most to gain from overcharging in taxes should not be the same organization filing the tax return; therefore, the IRS should not be allowed to implement a return-free tax system.

MEMBER ACTION ITEM: RSC Members are encouraged to support H.R. 2528, the Taxpayer Freedom to File Protection Act. For more information or to cosponsor please contact David Eiselsberg at David.Eiselsberg@mail.house.gov.

If you would like to participate in the RSC Repeal Task Force, please email Rick.Eberstadt@mail.house.gov.

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